

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

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In re:	)	Chapter 11
	)	
PAYLESS HOLDINGS LLC, <i>et al.</i> ,	)	Case No. 19-40883-659
	)	(Jointly Administered)
	)	
Debtors.	)	
	)	
	)	

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VERIFIED STATEMENT OF KRAMER LEVIN  
NAFTALIS & FRANKEL LLP AND DOSTER, ULLOM & BOYLE, LLC  
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019

Kramer Levin Naftalis & Frankel LLP (“Kramer Levin”) and Doster, Ullom & Boyle, LLC (“Doster Ullom”, and together with Kramer Levin, “Counsel”), in connection with the above-captioned chapter 11 cases (the “Chapter 11 Cases”) of Payless Holdings LLC, and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”), hereby submit this verified statement (this “Statement”) pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and respectfully state as follows:

1. As of the date of this Statement, Counsel represents the entities listed on Exhibit A (collectively, the “Ad Hoc Group of Prepetition Lenders”) in connection with these Chapter 11 Cases.

2. In accordance with Bankruptcy Rule 2019(c), Exhibit A lists the addresses and the “nature and amount of all disclosable economic interests” held, advised, or managed by such member of the Ad Hoc Group of Prepetition Lenders or for which such member has investment or voting discretion or control as of the date hereof.

3. Each member of the Ad Hoc Group of Prepetition Lenders has separately engaged Counsel to represent it in connection with these Chapter 11 proceedings.

4. In these proceedings, Counsel represents only the interests of the Ad Hoc Group of Prepetition Lenders listed on **Exhibit A** and do not represent any other entities or interests in connection with these proceedings. In addition, each member of the Ad Hoc Group of Prepetition Lenders does not purport to act, represent or speak on behalf of any other entity in connection with these proceedings.

5. Counsel does not hold, nor has it ever held, any claims against the Debtors except for claims for services rendered to the Ad Hoc Group of Prepetition Lenders. Pursuant to the Interim Cash Collateral Order [Docket No. 138] and the Interim DIP Order [Docket No. 265], the Debtors have agreed to pay the fees and expenses of Counsel. Counsel does not perceive any actual or potential conflict of interest with respect to the representation of the Ad Hoc Group of Prepetition Lenders, as applicable, in these Chapter 11 Cases.

6. All of the information contained herein is intended only to comply with Bankruptcy Rule 2019 and is not intended for any other purpose. Nothing in this Statement shall be construed as (i) a limitation upon, or waiver of, the right of each member of the Ad Hoc Group of Prepetition Lenders to assert, file, or amend its or their claims in accordance with applicable law and any orders entered in these cases, or (ii) an admission with respect to any fact or legal theory.

7. Counsel reserves the right to supplement or amend this Statement at any time for any reason.

Dated: March 13, 2019

Respectfully submitted,

DOSTER, ULLOM & BOYLE, LLC

/s/ *Alexander L. Moen*

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-and-

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*Counsel to the Ad Hoc Group of Prepetition  
Lenders*

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served on March 13, 2019 via the Court's CM/ECF system on all parties listed on the Court's Electronic Mail Notice List on the date set forth above:

/s/ Alexander L. Moen

Alexander L. Moen

*Counsel to the Ad Hoc Group of Prepetition  
Lenders*

**EXHIBIT A**

Name	Address	Nature and Amount of Disclosable Economic Interest <sup>1</sup>
Benefit Street Partners LLC	Benefit Street Partners 9 West 57th Street Suite 4920 New York, NY 10019 Attn: Matthew Winkler Michael Frick	\$4,001,263.00 principal amount of A-1 Tranche Term Loan. <sup>2</sup>  \$8,966,304.00 principal amount of A-2 Tranche Term Loan. <sup>3</sup>  \$1,894,952.00 principal amount of DIP Loans. <sup>4</sup>
CIFIC Asset Management LLC	CIFIC Asset Management LLC 250 Park Avenue, 4th Floor, New York, NY 10177 Attn: Steven Gendal Ian Greenhaus	\$692,995.02 principal amount of A-1 Tranche Term Loan.  \$292,548.95 principal amount of A-2 Tranche Term Loan.  13,650 shares of common equity in Payless Holdings LLC.

<sup>1</sup> All amounts shown are exclusive of all accrued interest, fees, and other charges, except in the instance of the DIP Loans (defined herein), which are including of the original issue discount of such DIP Loans.

<sup>2</sup> “Tranche A-1 Term Loan” has the meaning assigned to it in the Term Loan and Guarantee Agreement, dated as of August 10, 2017, among Payless, Inc., Payless Finance, Inc., Payless ShoeSource, Inc., and Payless ShoeSource Distribution, Inc. as borrowers, the other Debtor parties thereto as guarantors, and Cortland Products Corp., as administrative and collateral agent (the “**Term Loan Credit Agreement**”).

<sup>3</sup> “Tranche A-2 Term Loan” has the meaning assigned to it in the Term Loan Credit Agreement.

<sup>4</sup> “DIP Loans” refers to the principal amount owed to the relevant entity under the “DIP Facility” as defined in the *Interim Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Liens And Providing Superpriority Administrative Expense Status, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the “**Interim DIP Order**”) [Docket No. 265].

Name	Address	Nature and Amount of Disclosable Economic Interest <sup>1</sup>
Anthem, Inc.	Anthem, Inc. 220 Virginia Ave. Indianapolis, IN 46204 Attn: Austin Sansone	\$7,856,037.34 principal amount of A-1 Tranche Term Loan.  \$3,592,376.36 principal amount of A-2 Tranche Term Loan.  167,667 shares of common equity in Payless Holdings LLC.
Citibank N.A. and Citigroup Financial Products Inc.	Citibank N.A. and Citigroup Financial Products Inc. 388 Greenwich Street New York, NY 10013 Attn: Andrew Dove	\$28,429,104.00 principal amount of A-1 Tranche Term Loan.  \$3,600,196.00 principal amount of A-2 Tranche Term Loan.  \$3,468,179.70 principal amount of DIP Loans.
Invesco Senior Secured Management, Inc.	Invesco Senior Secured Management, Inc. 1166 Avenue of the Americas, 26 <sup>th</sup> Fl. New York, NY 10036 Attn: Peter Wollman Kelly Kaminski	\$8,801,966.22 principal amount of A-1 Tranche Term Loan.  \$17,263,133.33 principal amount of A-2 Tranche Term Loan.  \$4,150,539.00 principal amount of DIP Loans.  733,942 shares of common equity in Payless Holdings LLC.

Name	Address	Nature and Amount of Disclosable Economic Interest <sup>1</sup>
Octagon Credit Investors, LLC	Octagon Credit Investors, LLC 250 Park Avenue, 15 <sup>th</sup> Floor New York, NY 10177 Attn: Jeremy Stern Austin Flynn	<p>\$16,910,038.40 principal amount of A-1 Tranche Term Loan.</p> <p>\$17,107,799.90 principal amount of A-2 Tranche Term Loan.</p> <p>\$4,983,559.38 principal amount of DIP Loans.</p> <p>489,665 shares of common equity in Payless Holdings LLC.</p>